

Payment Gateways for your E-Shop

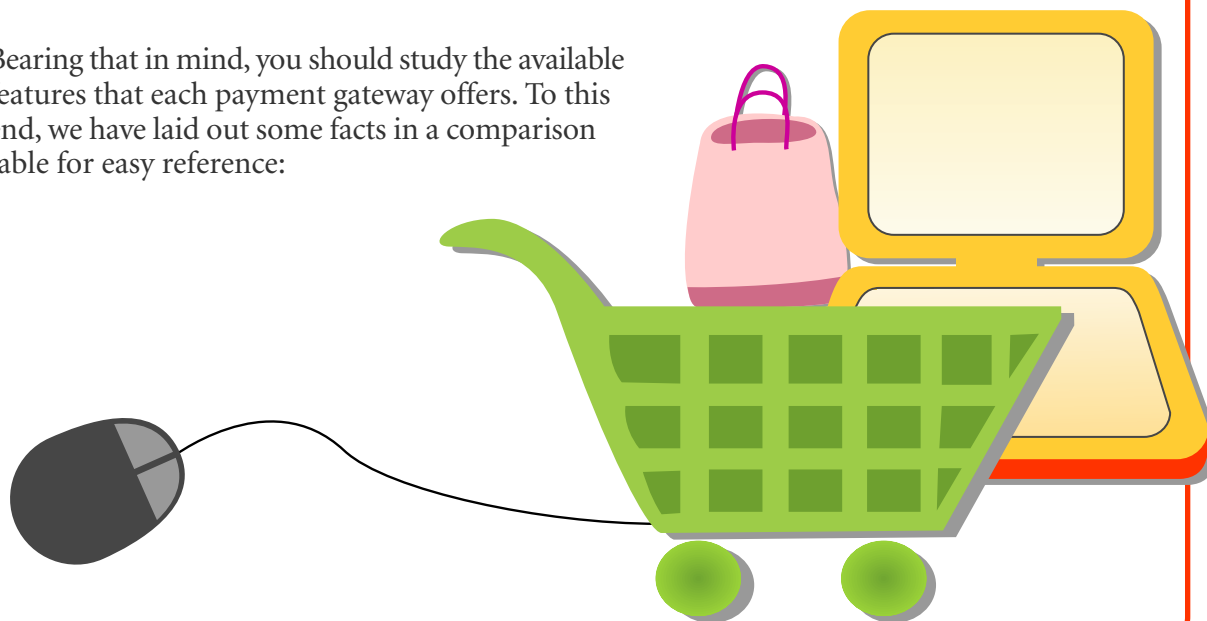
You have decided to take the plunge and set up an e-shop. Obviously, you would have spent countless hours ruminating on this evolutionary step forward for your business. The next piece of the puzzle – and a critical one at that – is to figure out how your e-shop will collect payments for online. Or in tech-geek speak, you have to decide on the payment gateway.

In this issue of Interact!, we will examine what we believe are the three most popular payment gateways in Singapore: [E-nets](#), [Paypal](#), and [WorldPay](#), and how they may serve different business needs.

When deciding on the right payment gateway for your business, we suggest you base your evaluation on the following factors:

- a) Total Cost
- b) Ease of Implementation
- c) Customer Service
- d) Fraud Protection (critical for online transactions, as there is no face-to-face contact with the customer)

Bearing that in mind, you should study the available features that each payment gateway offers. To this end, we have laid out some facts in a comparison table for easy reference:



	WORLD PAY	PAY PAL	E-NETS
BACKGROUND			
	<ul style="list-style-type: none"> • Part of the Royal Bank of Scotland Group. • Based in the United Kingdom with Asia Pac office in Singapore. • Widely recognized by customers and merchants. 	<ul style="list-style-type: none"> • Owned by E-bay. • One of the world's largest payment processor, over 120 million registered users and growing at an astronomical pace. • Allows payment through credit cards (Visa/Mastercard) without a PayPal account. (Note:-If you want to use the credit card facility you must apply for the Business plan). 	<ul style="list-style-type: none"> • Owned by OCBC, DBS and UOB. • Customer base is primarily in Singapore or the immediate region. • Allows payment through credit cards and debit cards. • Access to payments in China.
RATES			
One-time Set-up Fee	S\$250	Free	S\$200
Recurring Annual Fee	S\$650	None	<ul style="list-style-type: none"> • S\$450 (for any 1 module) • S\$600 (for all 3 modules) • S\$450 (for eNETS China Debit) • S\$450 (for eNETS - AMEX)

Transaction Fee	<ul style="list-style-type: none"> • 4.5%-5% per transaction including bank charges. 	<ul style="list-style-type: none"> • 2.4%-3.9% +USD0.30 for international users. Please check out charges for details. 	<ul style="list-style-type: none"> • eNETS Credit : 4.5% • eNETS Debit : 3.5% (or min. S\$1.50) • eNETS vCard : 3.0% • eNETS China Debit: 4% (or min. S\$1) • eNETS - AMEX : AMEX rate + 0.5% • All charges are subject to 5% GST. (Lower rate possible if you have transaction history with other online payment providers or local banks for MOTO facilities).
Deposit	<ul style="list-style-type: none"> • Charged on a case-by-case basis after business risk is assessed. • From zero to one month of expected transactions. 	<ul style="list-style-type: none"> • None. • There is only a credit card verification process during sign up. 	<ul style="list-style-type: none"> • 33% of transactions as deposit for preceding 6 months on a recurring basis.
Settlement Period	<ul style="list-style-type: none"> • Weekly, typically 4 weeks in arrears. 	<ul style="list-style-type: none"> • 3-4 business days with US banks and 5-7 with Supported Foreign Banks. 	<ul style="list-style-type: none"> • Every 2 weeks.
Interbank Wired Transfer	<ul style="list-style-type: none"> • About S\$7 per wire transfer. Does not include intermediary bank charges. • Minimum transfer amount is \$270. 	<ul style="list-style-type: none"> • Free for US Banks. • Interbank charges will apply for international intermediary banks. 	<ul style="list-style-type: none"> • No remittance charges.

Misc	<ul style="list-style-type: none"> • Fraud alert service costs extra \$0.18/alert. • Additional charge for MOTO (Mail Order/Telephone Order). • Admin fee levied for chargebacks. 	<ul style="list-style-type: none"> • Minimum amounts for international transfers applicable. 	<ul style="list-style-type: none"> • Mobile payment facilities available for users in Singapore.
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CURRENCY

	<ul style="list-style-type: none"> • Over 140 Currencies supported including Singapore Dollar. 	<ul style="list-style-type: none"> • Canadian Dollar • Euro • Pound Sterling • U.S. Dollar • Yen • Australian Dollar • New Zealand Dollar • Swiss Franc • Hong Kong Dollar • Singapore Dollar • Swedish Krona • Danish Krone • Polish Zloty • Norwegian Krone • Hungarian Forint • Czech Koruna 	<ul style="list-style-type: none"> • U.S. Dollar • Singapore Dollar
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APPLICATION PROCEDURE

	<ul style="list-style-type: none"> You will need to contact World Pay directly. 	<ul style="list-style-type: none"> Go to www.paypal.com Sign up for the “Premier” or “Business” plan (recommended). Need to verify e-mail and complete Expanded program to verify credit card. 	<ul style="list-style-type: none"> Go to the e-Nets website. Fill out the online form. Its sales team will contact you either through email or phone. Alternatively, call them directly to set up an appointment.
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CREDIT CARDS SUPPORTED

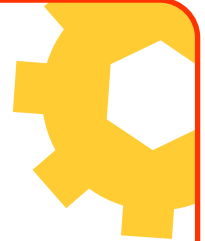
	<ul style="list-style-type: none"> Visa Mastercard Delta VisaElectron Solo JSB American Express Diners Club 	<ul style="list-style-type: none"> Visa Mastercard Discovery American Express 	<ul style="list-style-type: none"> Visa Mastercard American Express
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Before deciding on the payment gateway to use, we recommend that you meet with their sales representatives where possible. This will give you a chance to get all your questions answered.

While World Pay and E-Nets have sales representatives based in Singapore, Pay Pal does not. But you can still visit the Pay Pal website to get the information you need. Failing that, you can send them an email with your questions and they should respond promptly.

It would also be useful to create a comparison spreadsheet detailing your requirements. This can serve as a reference when assessing which payment gateway best suits your business needs.

Our OPINION



Pay Pal

Pros:

- No set up fee.
- Very fast to sign up.
- Large user base.
- Worldwide renowned payment provider.
- Almost DIY support where all of your questions can be answered on line. If not then you are welcome to write to them with a query which they will respond to.
- If you do not want to integrate with Pay Pal, then they have **email-payments** which allows you to generate an invoice online, send it to the buyer and receive payments via credit card.
- Prompt on line support.
- Customers are able to transact online without a bank account or a credit card by maintaining a balance with Pay Pal.
- You can test the online integration by yourself through a sandbox.

Cons:

- You cannot send /receive/withdraw from all countries. Please check this link for more information as it pertains to your business ([send/receive/withdraw](#)).
- Not liable for fraud on your site. They do try to mitigate this as much as possible but the ultimate responsibility is yours. However they have improved on their **charge back support** from before.
- Offline support lacking.

Summary

This is your solution if you are an SME and want to test the waters to see:

- a) How much an online business will increase your returns?
- b) What are the best ways to advertise online to drive business to your site?
- c) And you do not mind dealing with service staff through email.

World Pay

Pros:

- Supports over 140 currencies.
- High consumer confidence as every application is subject to rigorous testing.
- Pre-authorisation facility:- transactions are stored in a database for 10 days where merchants can log in and verify the buyers details before shipment of product(s).
- Timely customer service response both online and offline.
- Allows you to customize payment pages so it does not look like you are leaving your site.

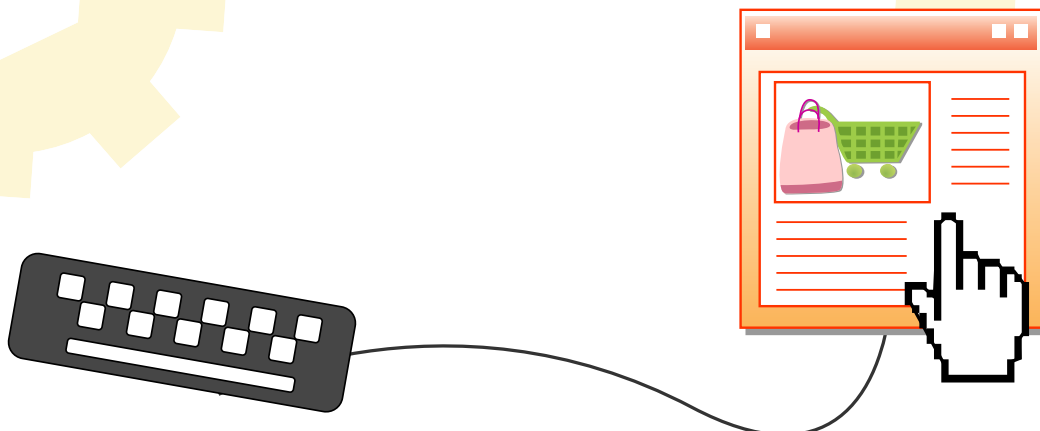
Cons:

- Multiple fees.
- Long approval process and numerous authorisations from merchant's banks required.
- Average settlement period of 4 weeks (May be too long for companies with tight cashflows).
- Site integration testing takes up to one month.

Summary

This is your solution if you:

- a) Require stringent anti fraud protection. Please keep in mind though the ultimate responsibility always lies with the merchant.
- b) Have a high revenue stream that is susceptible to fraud.
- c) Require a payment gateway that leverages on an international banking network.
- d) Prefer meeting representatives face-to-face to resolve technical problems.



E-Nets

Pros:

- Allows payment through debit cards, credit cards and v-cards.
- Alerts for fraudulent behaviour.
- Installment payment plan available.
- Allows you to customize payment pages so it does not look like you are leaving your site.
- MOTO (Mail Order Telephone Order) payments available.
- Provides joint marketing plans for the region.
- Easily accepts payment from Chinese market.

Cons:

- High deposit fee at 33% of transactions, 6 months in arrears (may be too high for startups and companies with tight cashflows).
- Requires 3-4 weeks to set up.
- Stringent and time consuming account checks giving users confidence about the merchants.

Summary

This is your solution if you:

- a) Rely on Singapore as your primary business market.
- b) Want rigorous anti-fraud alerts and advise. However, ultimate onus is always on the merchant.
- c) Have a high revenue stream and track record, thereby allowing you to negotiate favourable rates and holdbacks on an ad-hoc basis.
- d) Prefer meeting representatives face-to-face to resolve technical problems.

In conclusion, we hope this summary will help you when you are deciding on payment gateway providers. Should you have further queries on this topic, do contact us and we will endeavour to assist you.

PS: Found this newsletter informative and useful? Email us with your comments, questions or other topics you would like covered at info@8rewardsroad.com